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| | Columbia, SC 29211 | | Email: pfox@mo | enair.net | |
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February 25, 2011

Margaret M. Fox

pfox@mcnair.net T (803) 799-9800 F (803) 753-3219

Via Electronic and Hand Delivery

Ms. Jocelyn Boyd Chief Clerk and Administrator South Carolina Public Service Commission 101 Executive Center Drive Suite 100 Columbia, South Carolina29210

Re:

Application of Allied Wireless Communications Corporation d/b/a Alltel for Designation as an Eligible Telecommunications Carrier

Docket No. 2010-385-C

Dear Ms. Boyd:

Enclosed for electronic filing please find the Public Version of the Surrebuttal Testimony of Glenn H. Brown on behalf of Farmers Telephone Cooperative, Inc., FTC Communications, LLC, Horry Telephone Cooperative, Inc., Piedmont Rural Telephone Cooperative, Inc., and PRTCommunications, LLC.

Portions of Mr. Brown's testimony reference confidential information of Allied Wireless Communications that was obtained pursuant to a confidentiality agreement and that has been afforded confidential treatment by Directive of the Hearing Officer dated December 16, 2010 in this proceeding. The Confidential Version of Mr. Brown's testimony is being hand delivered to the Commission in a sealed envelope, appropriately marked.

By copy of this letter, we are serving copies of the Public and Confidential Versions of Mr. Brown's testimony on parties of record.

Very truly yours,

McNAIR LAW FIRM, P.A.

McNair Law Firm, P. A. 1221 Main Street Suite 1600 Columbia, SC 29201

Mailing Address Post Office Box 11390 Columbia, SC 29211

mcnair.net

MMF/rwm Enclosure

Margaret M. Fo

cc:

Parties of Record

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| 8 | SOUTH CAROLINA | |
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| 11 | In the Matter of Application of Allied) | |
| 12 | Wireless Communications for Designation) | |
| 13 | as an Eligible Telecommunications Carrier) Docket No. 2010-385-C | |
| 14 | Pursuant to Section 214(e)(2) of the | |
| 15 | Communications Act of 1934) | |
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| 27 | FARMERS TELEPHONE COOPERATIVE, INC. AND FTC | |
| 28 | COMMUNICATIONS, LLC, HORRY TELEPHONE COOPERATIVE, INC., ANI |) |
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| 1 | T | INTRODUCTION |
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| 1 | 1. | INTRODUCTION |

- 2 Q. Please state your name and business address.
- 3 A. My name is Glenn H. Brown, and my business address is PO Box 21173, Sedona,
- 4 Arizona 86341.
- 5 Q. Have you previously filed direct testimony in this proceeding?
- 6 A. Yes. I filed direct testimony in this case on February 10, 2011.
- 7 Q. What is the purpose of your surrebuttal testimony?
- 8 A. In this testimony I would like to clear up several areas where Mr. Rohan Ranaraja has
- either mischaracterized my testimony, or used "facts" and/or data incorrectly in his
- rebuttal testimony filed on February 17, 2011.
- 11 I. MR. RANARAJA IS INCORRECT IN HIS ASSERTION THAT THIS
- 12 COMMISSION HAS PREVIOUSLY DECIDED A COMPETITIVE ETC CASE IN
- 13 THE CONTEXT OF A CAPPED UNIVERSAL SERVICE FUND
- 14 ENVIRONMENT
- On page 14 of his rebuttal testimony, Mr. Ranaraja states that none of the other
- 16 CETCs challenged HTC's designation as a competitive ETC or raised concerns
- about the impact of the CETC cap. Why would this have been the case?
- 18 A. The CETC cap was not in place when HTC filed its application, nor was it in place when
- the Commission designated HTC as a CETC. HTC filed its application for CETC status
- on November 8, 2007, and the Commission granted ETC status to HTC on April 17,
- 2008. The FCC did not issue its Order approving the imposition of a CETC cap until
- May 1, 2008. Thus, during the entire pendency of HTC's application there was no CETC
- cap in place.

- Q. Might the Commission or other parties have had some reason to think that the FCC might *not* actually implement the CETC cap that the Federal-State Joint Board on Universal Service had recommended on May 1, 2007?
- Perhaps. On July 2, 2007, in Docket No. 2007-151-C, Alltel filed the reply testimony of A. 4 Mr. Rohan Ranaraja and Mr. Steve Mowry. In that testimony, Mr. Mowry spent over ten 5 6 pages explaining all of the reasons why Alltel believed that the FCC was unlikely to approve the cap, since seemingly everyone in Washington, DC and around the country 7 was opposed to it. In addition, even if there was a suspicion that the FCC might impose 8 a cap, there was no knowledge of how the cap would be applied, or that the designation of a new CETC would become a "zero-sum-game," where a new applicant can only 10 receive funding to the extent that it is taken away from a current CETC recipient. 11
- 12 II. ON CONFIDENTIAL EXHIBIT RR-2, MR. RANARAJA MISCHARACTERIZES
 13 THE IMPACT THAT THE DESIGNATION OF HTC HAD ON THE SUPPORT
 14 RECEIVED BY FTC AND CRICKET (HARGRAY)
- On pages 13 14 of his rebuttal testimony, Mr. Ranaraja tries to explain that the impact of HTC's designation as an ETC has had a larger impact on the high-cost universal service fund receipts of Cricket (Hargray) and FTC. Is his analysis valid?
- 18 A. No it is not, for two specific reasons:
- 19 1. Mr. Ranaraja's analysis assumes a monthly CETC cap for the state of South Carolina of \$380,002 per month. While it is true that this was the monthly cap stated in the FCC's August 24, 2010 letter to the Universal Service Administration Company (USAC)², this

¹ Reply testimony of Steve R. Mowery on Behalf of Alltel Communications, Inc., Docket No. 2007-151-C, at pages 1 – 11.

² Letter from Sharon Gillett, FCC Wireline Competition Bureau Chief, to Karen Majcher, Vice-President, High-Cost and Low-Income Division, USAC, August 24, 2010.

- amount was amended in a subsequent letter Dated February 8, 2011.³ This letter amended the cap from \$380,002 to \$440,387.
- 2. He incorrectly posits that there would be a two-step process for reducing funding to

 Cricket and FTC in which funding would first be reduced to the cap level due to funding

 provided to HTC, and then would be reduced a second time for what additional funding

 Allied might otherwise be entitled to if it were granted CETC status in the absence of any

 cap. This is clearly contrary to the procedures established in the FCC's CETC Capping

 Order, 4 as implemented by USAC.
- Q. What procedures have been put in place to implement the FCC's cap on statewide
 CETC support?
- 11 A. In the CETC Capping Order, the FCC provided the following guidance for the 12 implementation of the cap:

Under the state-based cap, support will be calculated using a two-step approach. First, on a quarterly basis, the Universal Service Administrative Company (USAC) will calculate the support each competitive ETC would have received under the existing (uncapped) per-line identical support rule, and sum these amounts by state. Second, USAC will calculate a state reduction factor to reduce this amount to the competitive ETC cap amount. Specifically, USAC will compare the total amount of uncapped support to the cap amount for each state. Where the total state uncapped support is greater than the available state cap support amount, USAC will divide the state cap support amount by the total state uncapped amount to yield the state reduction factor. USAC will then apply the state-specific reduction factor to the uncapped amount for each competitive ETC within the state to arrive at the capped level of high-cost support. Where the state uncapped support is less than the available state capped support amount, no reduction will be required.⁵

³ Letter from Sharon Gillett, FCC Wireline Competition Bureau Chief, to Karen Majcher, Vice-President, High-Cost and Low-Income Division, USAC, February 8, 2011, DA 11-243.

⁴ Order In the Matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Alltel Communications, Inc., et al. Petitions for Designation as Eligible Telecommunications Carriers, RCC Minnesota, Inc. and RCC Atlantic, Inc. New Hampshire ETC Designation Amendment, WC Docket No. 05-337 and CC Docket 96-45, FCC 08-122, Released May 1, 2008, at page 1. (CETC Capping Order)
⁵ Id., at ¶ 27.

Q. How has USAC operationalized the application of the CETC cap?

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2 A. Once each quarter, USAC issues Report HC01a that provides an estimate of the amount of uncapped support that each CETC would be eligible for under the equal-per-line 3 support rule, given the number of "lines" that it has reported in each ILEC study area for 4 which it has been granted CETC status. On the upper half of Exhibit GHB-2, I have 5 shown these uncapped support amounts for Cricket, FTC and HTC for the first through 6 fourth quarters of 2010 as reported by USAC. On the upper right-hand side of GHB-2 I 7 have also shown the estimated uncapped support indicated for Allied on Mr. Ranaraja's 8 Rebuttal Exhibit RR-2 (i.e., \$660,051/month, or approximately \$7.2 million per year). 9 As directed by the FCC, USAC then sums the uncapped support amounts for all CETCs 10 in the state and divides this total by the amount of the cap to develop the adjustment 11 factor. This factor is then multiplied by the uncapped support amount for each carrier to 12 determine the amount of capped support that each carrier would be eligible to receive. 13 These capped amounts by carrier are shown on the lower half of GHB-2. 14

15 Q. Could you describe the two sets of data presented on Exhibit GHB-2?

A. The data in the box on the left hand side of GHB-2 shows the impact of the state wide cap on the support that would be received by Cricket, FTC and HTC. The data in the box on the right hand side of GHB-2 shows the effect that including Allied as a CETC would have had on the distribution of capped support to each CETC.

Q. What would be the impact of designating Allied as a CETC?

21 A. Using 2010 numbers as an example, designating Allied as a CETC would require
22 reductions in federal high-cost support of \$288,000, \$1.146 million, and \$765,000 to

| 1 | Cricket, FTC and HTC, respectively. This is a 41.6% reduction in funding to these |
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| 2 | existing CETCs, not 13.7% as Mr. Ranaraja stated at p. 13 of his rebuttal testimony. |

- 3 III. ALLIED OFFERS NOTHING "UNIQUE" VIS-À-VIS ITS WIRELESS
 4 COMPETITORS, AND DESIGNATING ALLIED AS A CETC WILL HAVE NO
 5 MATERIAL IMPACT ON THE LEVEL OF WIRELESS COMPETITION IN THE
 6 RELEVANT MARKETS
- Q. Mr. Ranaraja takes exception with your testimony that Allied offers nothing unique,
 and that its designation would not increase wireless competition in the areas for
 which Allied seeks ETC designation. In particular he is critical of your Exhibit
 GHB-1. Is he correct?
- 11 A. No, he is not. Exhibit GHB-1 shows that in each rural wire center for which Allied seeks
 12 CETC designation there are between two and seven wireless carriers already competing
 13 for the customer's business, with most of these areas having six or seven competing
 14 carriers, none of which are currently receiving federal high-cost support.

15 Q. How did you construct Exhibit GHB-1?

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A.

I approached this as if I were a consumer seeking to obtain wireless service in one of the rural telephone company service areas where Allied is seeking CETC designation. I first went to a consumer website www.wirelessadvisor.com. When a zip code for a particular community was entered, this site would return a list of carriers that *might* be providing service in and around that community. My next step was to go to the web site of each identified carrier to verify that they were currently offering service to consumers in that particular community, and to examine signal coverage provided by their network for that area.

⁶ In my prefiled Direct Testimony, I used an estimate of \$6.1 million for capped support. On further review, I believe the annual capped amount of \$5.285 million is more accurate.

- Q. At page 4, line 15 of his testimony Mr. Ranaraja states that carrier websites

 "typically [do not] provide the signal strength used to determine whether a customer

 can actually make a call." Do you agree with that?
- That was not my experience when I did my analysis. Exhibits GHB-3, 4 and 5 illustrate 4 Α. the type of signal coverage maps that I found for AT&T, T-Mobile and Sprint/Nextel, 5 respectively from each carrier's website. Notice that these sites show a granular level of 6 signal coverage as well as areas with no coverage. In addition, areas served by roamer or 7 partner coverage are clearly identified. These sites also allowed for an examination of 8 mobile data services, including 3G coverage. This formed the basis for the column on 10 GHB-1 indicating the number of carriers offering 3G services. Ironically, the only carrier serving the area for which Allied has requested CETC status that did not provide this type 11 of location-specific, granular coverage information for consumers was Alltel. 12
- Q. Another criticism that Mr. Ranaraja makes is that GHB-1 "list[s] Sprint, Nextel and Boost Mobile as three separate carriers when in fact they are all one carrier." (page 4 at line 17). Why did you do this?

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A. Even though they share common ownership, and some common network elements, in the eyes of the customer they offer different types of services with different value propositions. For example, Sprint operates a CDMA network, while Nextel's network is based upon the iDEN technology. As shown on Exhibit GHB-5, these networks experience different coverage patterns. They also offer some different service features to the consumer. Boost Mobile markets a prepaid product that is attractive to some segments of the market, whereas most of the other providers offer a contractual service offering, often including handsets in the contract.

- Q. On page 7 of his rebuttal testimony, Mr. Ranaraja begins a section titled "Allied's

 Service Offerings to Offer Unique Advantages to Consumers Compared to Cricket

 (Hargray), FTC and HTC's Service Offerings." Is this the right comparison for

 Allied to be making?
- No, it is not. FTC and HTC operate networks in the eastern part of the state, and their service territories do not overlap with Allied. While it appears that Cricket does operate in the Allied area, and while the wireless-advisor web site did mention their service, when I visited the Cricket web site they indicated that they were not marketing in this area, so I did not include them as a competitor on Exhibit GHB-1.
- 10 Q. What is the relevant market for the Commission to use in making its "uniqueness"
 11 analysis as required by 103-690C(b), and what did you find when examining this
 12 market?

A.

The relevant market is the wireless carriers with which Allied will actually be competing, namely the carriers identified on Exhibit GHB-1. The second part of my market analysis was to carefully examine the web sites of each of these carriers to see if any of them indeed did offer something "unique." What I found was that they all offer similar packages and bundles of voice, text, data, calling-circles and handsets that are priced at relatively comparable levels. I did not find anything that Alltel was offering that was substantially different from what most of the other carriers were offering. The one unique offering that I did find was offered by Boost Mobile, a carrier that Mr. Ranaraja suggested that we should ignore in this market analysis (page 4, line 19). As shown on Exhibit GHB-6, under its "Shrinkage" plan, a customer would have their monthly price reduced by \$5 per month for each consecutive 6-month period during which they paid

| 1 | their bill on-time. I had never seen that one before, and I can see where for some |
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| 2 | consumers that might be a very attractive service offering. |

- Q. At page 7, line 8, Mr. Ranaraja states his opinion that "There is no requirement that a carrier offer something 'unique'" in order to receive CETC status and begin collecting public money. Do you agree with him?
- No, I do not. In fact I find that statement quite odd given that the language of the 6 A. Commission regulation clearly states that in making its public interest determination, "the 7 Commission should consider, inter alia, the benefits of increased consumer choice, and 8 the unique advantages and disadvantages of the applicant's service offering." Perhaps in an earlier era when the standards were more lax, and the money was flowing freely, it 10 could be rationalized that a few new towers at the periphery of one competitor's among 11 many networks could pass this test. However in the era of government austerity that 12 defines 2011, it seems reasonable that consumers have a right to expect some unique, 13 tangible benefits for their hard-earned universal service dollars. 14
- 15 IV. EXHIBIT RR-2 AVERAGES POPULATION DENSITY OVER LARGE AREAS,
 16 AND IGNORES THE LOCATIONS WHERE THE "NEW" TOWERS ARE
 17 PROPOSED TO BE BUILT
- On page 11 of his rebuttal testimony, Mr. Ranaraja begins a section titled "Allied's Q. 18 Proposed ETC Area is More Rural Than the Areas Where Cricket (Hargray), FTC 19 and HTC Have Been Designated ETC." In support of this he offers Exhibit RR-1. 20 Could you comment on Exhibit RR-1 and what it means and what it does not mean? 21 Exhibit RR-1 shows that when computed over Allied's 8,813 square mile service area in 22 Α. South Carolina, the average population density is 87.6 persons per square mile. Exhibit 23 RR-1 also shows that when computed over the 3,875 square mile combined CETC 24

service areas of Cricket, FTC and HTC, the average population density is 102 persons per

square mile. While I have not been able to independently verify his calculations, I have no reason to doubt that these are valid statistics. What I do question is what they mean or prove, if anything. Without additional information, average population measures can be misleading, particularly when analyzing the cost of building telecommunications networks, wireless or wireline.

6 Q. Can you provide an example of why average population density can be misleading?

- A. Exhibit GHB-7 shows two hypothetical service areas with identical average population

 (or in this case, dot) density. In Area A the population is tightly clustered, while in Area

 B the population is widely disbursed. It is possible that the population in Area A could

 be served by a single wireless tower, while serving the population in Area B could

 require multiple towers and related backhaul investment. Without this type of detail, it is

 impossible to say whether the Cricket/FTC/HTC area or the Allied service area is "more

 rural," and thus more costly to serve.
- 14 Q. Notwithstanding the problems with average population density over large areas, are
 15 there any other observations that you could make about RR-1 and the conclusions
 16 that Mr. Ranaraja is trying to make?
 - A. Yes. Looking more specifically at Allied's proposed network improvement plan, and recognizing the inherent problem with population averages, you can see that in the *___*% of the twenty cell sites that Allied's confidential two-year plan proposes to build in the non-rural telephone company service areas, the average population density in these serving areas is 114 persons per square mile, vs. the average 56 persons per square mile in the remaining *___*% of the towers proposed for rural telephone company service areas. This would support the conclusion that I expressed in my direct testimony (page

- 24, line 6) that Allied's designation would entail a shift of scarce, and currently capped, high-cost funding resources from rural areas of South Carolina to the more urban or suburban areas of the state.
- Q. Is there additional indication that Allied is proposing to move high-cost funding from rural company service areas to non-rural service areas?
- 6 A. Yes. It should be noted that designating an ETC across a wide area that includes both rural and non-rural telephone company areas has an inherent problem as a result of the 7 identical-support rule. The amount of funding for which Allied would be eligible is 8 based on the number of customers and high-cost per line support in each of the ILEC 9 areas in which it provides services, but the amount of funding it receives is aggregated 10 and can be spent in the larger area. Data provided by Allied on Confidential Exhibit 6 in 11 response to ORS Data request No. 1.7, indicates that ** **% of the high-cost funding 12 that Allied would receive comes from rural telephone company service areas, and only 13 **% will come from non-rural telephone company areas, yet it proposes to build 14 ** **% of the new cell sites in non-rural telephone company areas. 15
- 16 Q. Mr. Ranaraja states at p. 19 of his Rebuttal Testimony that eight of the sixteen
 17 counties that are part of Allied's proposed ETC area are identified by the FCC as
 18 "underserved." Is that relevant?
- No, it is not relevant here for several reasons. First, Mr. Ranaraja is mixing apples and oranges. He is referring to an FCC report that first defines a benchmark broadband speed of 4 Mbps down and 1 Mbps up as established as the initial broadband goal in the National Broadband Plan. Second, while eight of the "unserved" counties are in Allied's service territory, there are fifteen other counties in South Carolina that are also identified

| 1 | | as "unserved." Third, he fails to explain why funding should be taken away from |
|----------------|----|---|
| 2 | | Clarendon, Lee and Sumter Counties, which are also identified as "unserved," and |
| 3 | | diverted to Allied's service territory. Fourth, he conveniently ignores the fact that the 3G |
| 4 | | broadband service that Allied proposes to offer does not generally provide 4 Mbps |
| 5 | | broadband service, so designation of Allied as an ETC will not change the classification |
| 6 | | of these counties as unserved. Finally, as can be seen from Exhibit GHB-1 to my Direct |
| 7 | | testimony, there are anywhere from 2 to 6 wireless carriers already providing 3G (i.e., |
| 8 | | mobile broadband) services in the rural telephone company areas served by Allied. In |
| 9 | | fact, in 18 of the 22 rural exchanges, there are 4 or more wireless carriers providing 3G |
| 10 | | service. |
| 11 12 | V. | MR. RANARAJA HAS MISCHARACTERIZED MY TESTIMONY IN SEVERAL OTHER AREAS |
| 13 | Q. | On page 2 of his rebuttal testimony Mr. Ranaraja takes issue with your |
| 14 | | characterization of the checklist items enumerated in Commission Rule 103-690C(a) |
| 15 | | as "minimum" qualifying criteria. Do you agree with this characterization? |
| 16 | A. | No. While meeting these criteria is clearly a condition precedent for the grant of CETC |
| 17 | | status, the Rule clearly and unambiguously states: |
| 18 19 20 | | The commission may upon its own motion or upon request, designate a common carrier that meets the requirements of this section, and the public interest standard set forth in subsection (b) of this section, as an ETC for a designated service area. (emphasis added) |
| 21 22 | | Thus, while Mr. Ranaraja might wish otherwise, there can be no question that merely |
| 23 | | meeting the checklist criteria is not sufficient, by itself, to warrant designation as a |

24

CETC. This Commission must also make the important public interest determination.

⁷ The other unserved counties are Calhoun, Chesterfield, Clarendon, Darlington, Dillon, Dorchester, Kershaw, Lancaster, Lee, Lexington, Marion, Marlboro, Richland, Sumter, and York.

Q. At page 10, line 15 of his rebuttal testimony, Mr. Ranaraja takes issue with your reference to "only one new CETC case" cited by Allied having been made after the FCC's CETC Capping Order in May of 2008. Could you please explain?

A.

In this answer, I was referring to the 28 cases that were cited in footnotes 55, 56 and 57 of Allied's Application in support of its request for CETC status, and that were summarized in TABLE I that immediately follows this sentence. To the extent that my wording of this sentence may have been less than crystal-clear to Mr. Ranaraja or any other readers, I regret any inconvenience that this may have caused. I also take issue with Mr. Ranaraja's rebuttal to the extent it seems to imply that the FCC has continued granting ETC applications in large numbers following its imposition of the CETC cap. In fact, all of the FCC designations cited in Allied's Application were made in the CETC Cap Order itself, and were pending, some for long periods of time, prior to the imposition of the CETC cap. Since then, the FCC has actually required at least two carriers, Verizon (as a condition of its merger with Alltel) and Sprint Nextel (as a condition of their merger), to phase out their receipt of CETC support.⁸ Also, in the universal service NPRM that the FCC issued on February 9, 2011, the FCC has proposed phasing out support based on the identical support rule beginning in 2012.⁹

⁸ See In the Matter of Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements and Petition for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act, Memorandum Opinion and Order and Declaratory Ruling, WT Docket No. 08-95 (rel. November 10, 2008), at ¶¶ 192-197; In the Matter of Sprint Nextel Corporation and Clearwire Corporation Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations, Memorandum Opinion and Order, WT Docket No. 08-94 (rel. November 7, 2008), at ¶¶ 106-108.

⁹ In the Matter of: Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Notice of Proposed Rulemaking, FCC 11-43, Released February 9, 2011, at ¶¶ 241-260.

- Q. On page 15 of his rebuttal testimony, Mr. Ranaraja states "... it would be in the best interest of all residents of South Carolina to ensure that these funds are made available to the additional areas beyond the 10 or so counties that have been the sole beneficiaries of this funding since November of 2007." Do you agree with this statement?
- No. This is what I call a "spread the money around" approach to ETC funding that raises A. 6 some important public interest questions. First, why is it in the public interest to take 7 funding away from the areas that are currently receiving it and using it to implement 8 9 Commission-approved service improvement plans and redeploy it to other areas of the state? Second, if it is to be redeployed, is Allied the best place for the Commission to 10 move it? In the FCC's Broadband Availability Report that Mr. Ranaraja has cited, 11 twenty three counties are identified as "unserved" by broadband. Why are the eight 12 counties that his client serves more worthy than the other fifteen? Third, what objective 13 criteria would or could the Commission use to determine what areas are more worthy 14 15 than others? Finally, since the FCC has already stated that it will be phasing out identical-support-based funding in the near future, is this the right time to begin 16 redeploying the capped CETC funding in the state of South Carolina? 17

18 VI. CONCLUSION

- Q. Would you please summarize your conclusions regarding the designation of Allied as a competitive ETC for receipt of high-cost universal service support?
- A. For the reasons stated above, and in my direct testimony filed on February 8, 2011, and given the fact that every dollar that Allied might receive is a dollar that will be taken away from Cricket, FTC and HTC, I do not believe that this Commission can conclude

- that grant of CETC status would be in the public interest, and therefore Allied's
- 2 Application should be denied.
- 3 Q. Does this conclude your testimony at this time?
- 4 A. Yes.

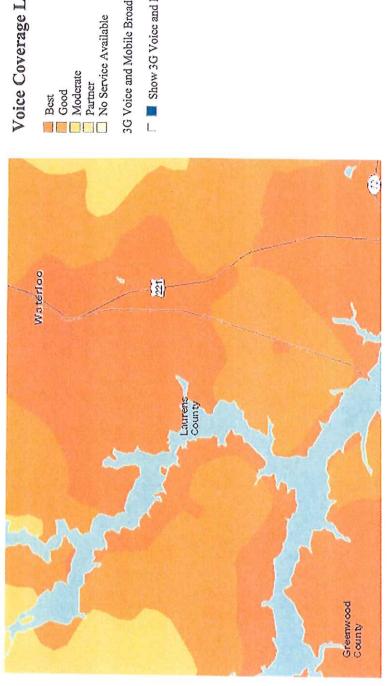
Before the Public Service Commission of Docket 2010-385-C South Carolina

Surrebuttal Testimony of Glenn H. Brown Exhibits GHB-2 through GHB-7 February 24, 2011

Exhibit GHB-2

| HC01a (Amount Pre-Cap 102010 202010 202010 202010 | (\$ Thousands) from Identical | | | | • | With Alled EIC | | • | | |
|---|----------------------------------|------------|----------|----------|--|---------------------------|--------------|----------------|-------------|-----------|
| HC01a (Amount Pre-Cap find 202010 Cricket \$388 \$35 FTC \$1,423 \$1,55 HTC \$829 \$96 Total \$2,640 \$2,87 Capped Amc Capped Amc | from Identic | (s) | | | | (\$ Thousands) | (spuesi | | | |
| 1Q2010 \$1, \$1, \$2, \$2, | | al Support | Rule) | HC01 | HC01a (Amount Pre-Cap from Identical Support Rule) | re-Cap fro | om Identic | al Suppor | t Rule) | |
| \$1, \$1, \$2, \$2, \$2, \$2, \$2, | 3Q2010 4Q20 | 10 | Total | | 102010 | 2Q2010 | 3Q2010 | 4Q2010 | Total | |
| \$1, \$2, \$2, \$2, \$2, \$2, \$2, \$2, \$2, \$2, \$2 | 56 \$352 | \$355 | \$1,451 | Cricket | \$388 | \$356 | \$352 | \$355 | \$1,451 | |
| \$2, \$2, \$2, \$2, \$2, \$2, \$2, | 51 \$1,410 | \$1,410 | \$5,794 | FTC | \$1,423 | \$1,551 | \$1,410 | \$1,410 | \$5,794 | |
| \$2, 1Q2010 et \$ | 64 \$1,044 | \$1,037 | \$3,874 | HTC | \$829 | \$964 | \$1,044 | \$1,037 | \$3,874 | |
| 1Q2010 | 71 \$2,806 | \$2,802 | \$11,119 | Allied | \$1,980 | \$1,980 | \$1,980 | \$1,980 | \$7,920 | |
| 1Q2010 | | | | Total | \$4,620 | \$4,851 | \$4,786 | \$4,782 | \$19,039 | |
| 1Q2010 2Q20 | 10unt (\$440/m | 10.) | | | Сар | Capped Amount (\$440/mo.) | unt (\$440/n | no.) | | Total |
| (et \$194 | 3Q2010 | 4Q2010 | Total | | 1Q2010 | 202010 | 3Q2010 | 4Q2010 | Total | Reduction |
| | 64 \$166 | \$167 | \$691 | Cricket | \$111 | 26\$ | 297 | \$6\$ | \$403 | \$288 |
| FTC \$712 \$714 | 14 \$664 | \$665 | \$2,755 | FTC | \$407 | \$422 | \$389 | \$390 | \$1,608 | \$1,146 |
| HTC \$415 \$444 | 44 \$492 | \$489 | \$1,839 | HTC | \$237 | \$263 | \$288 | \$287 | \$1,074 | \$765 |
| Total \$1,321 \$1,321 | 21 \$1,321 | \$1,321 | \$5,285 | Allied | \$566 | \$539 | \$547 | \$547 | \$2,199 | |
| | | | | Total | \$1,321 | \$1,321 | \$1,321 | \$1,321 | \$5,285 | |
| | | | | * Allipa | * Allied incepped support amounts per Raparaia Rebuttal Exhibit RR-2 | nort amoun | ts ner Ran | araia Rebit | tal Exhibit | 2B.7 |

Exhibit GHB-2 AT&T Signal Coverage



Voice Coverage Legend

3G Voice and Mobile Broadband Coverage

Show 3G Voice and Mobile Broadband Coverage

Exhibit GHB-4 T-Mobile Singnal Coverage

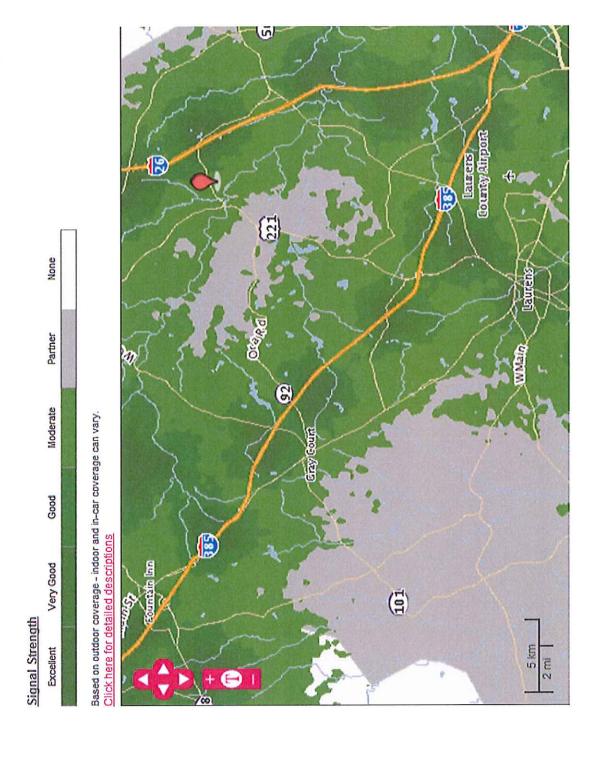


Exhibit GHB-5 Sprint/Nextel Signal Coverage

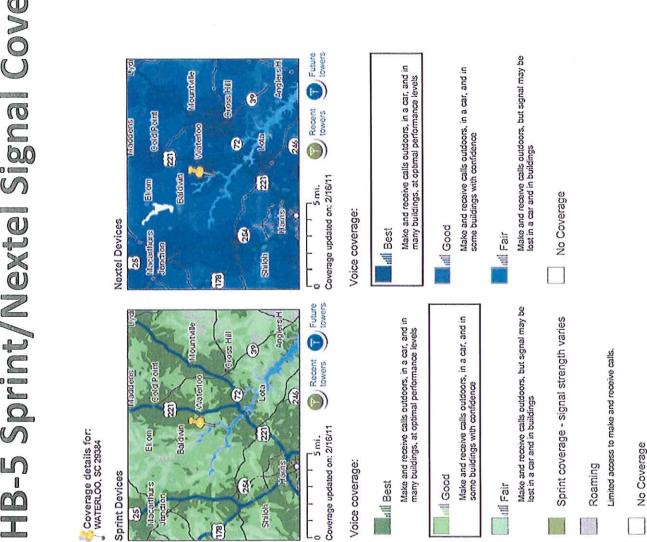


Exhibit GHB-6 Boost Mobile Web Site

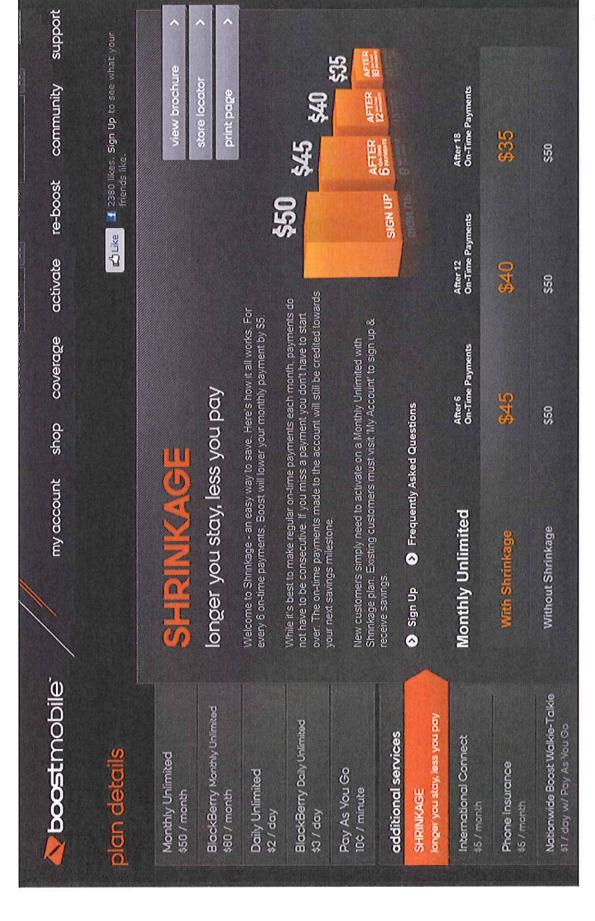
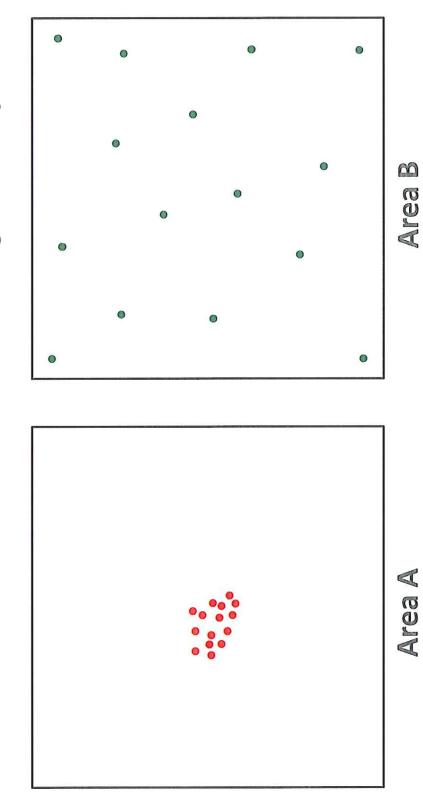


Exhibit GHB-7

Both areas have the same "average" density



BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Docket No. 2010-385-C

IN RE:

| Application of Allied Wireless Communications Corporation d/b/a Alltel for Designation as an Eligible Telecommunications Carrier |) | CERTIFICATE OF SERVICE |
|--|---|------------------------|
| |) | |

I, Rebecca W. Martin, do hereby certify that I have this date served one (1) copy of the attached Public Version and one (1) copy of the Confidential Version of the Surrebuttal Testimony of Glenn H. Brown upon the following parties via electronic mail and by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and properly affixed thereto, and addressed as follows:

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